

*CHICAGO, IL (October 15, 2010) — In the wake of today's announcement from the Social Security Administration that beneficiaries will not be receiving a cost-of-living adjustment (COLA) for the second consecutive year, Rep. Jan Schakowsky (D-IL) and Rep. Doris Matsui (D-CA), Co-Chairs of the Congressional Task Force on Seniors, praised a House bill that would provide a one-time \$250 payment in lieu of this increase. The Seniors Protection Act (H.R. 5987), introduced by Rep. Earl Pomeroy, seeks to ensure that seniors, veterans, and those with disabilities are able to purchase medications and put food on the table even without a COLA. Thanks in no small part to the unwavering support of Members of the Seniors Task Force, House Speaker Nancy Pelosi has pledged to bring the Seniors Protection Act to the floor when the House reconvenes in November.*

“Seniors and other Social Security recipients are caught—for a second year in a row—in a perfect storm,” said Schakowsky. “There will be no cost of living adjustment to increase recipients’ already modest monthly benefit checks, yet they’re also facing rising medical and prescription costs and a lagging economy. We need to update the way Social Security calculates the COLA to reflect skyrocketing health care costs. In the meantime, we will provide Social Security beneficiaries some financial relief by passing legislation to send a one-time \$250 payment.”

The COLA is automatically calculated using data on inflation published by the Bureau of Labor Statistics (BLS). October 15 is the day BLS releases the final economic factor that the Social

Security Administration uses to calculate the annual COLA. In 2009, Social Security recipients saw a 5.8% increase in their benefits, the largest since 1982, as a result of rising costs; but in 2010, they saw no COLA at all.

“Especially in these difficult economic times, it is critical that we do all we can to help those who rely on social security payments to make ends meet,” said Matsui. “While the lack of a COLA this year is not a result of Congressional action, Democrats in Congress are poised to make it right. I am an original cosponsor, and strong supporter of H.R. 5987, the Seniors Protection Act—a bill that will give 54 million Americans an extra \$250 to make up for the lack of a COLA next year. I urge my colleagues to support this measure when Congress returns to Washington in November.”

Social Security benefit levels are modest – only \$14,000 a year for the average retiree. The median income for senior households is just \$24,000, reflecting just how much Social Security means to most elderly Americans. Six in ten seniors rely on Social Security for more than half of their income, and about a third of retirees have little other than Social Security on which to live.

“Earlier this week, I called for Congress to enact a one-time payment to seniors who are just learning they will not receive a cost-of-living adjustment to their Social Security benefits,” said Rep. John B. Larson (*D-CT*), Chairman of the House Democratic Caucus. “I am happy to announce that my Democratic colleagues in the House agree that we cannot let seniors suffer during these difficult economic times. We will move ahead quickly to provide seniors and other Social Security beneficiaries with these one-time payments. These payments are good not only for our seniors, but for our economy as well. In fact, a recent study by the Economic Policy Institute showed that similar payments to seniors in 2009 strengthened the economy, increasing the nation’s GDP by 0.5% in the second quarter of the year, and creating or saving 125,000 American jobs.”